

**2001 FILING SEASON BEGINS;
IRS EXPANDS E-FILING, EMPHASIZES FREE TAXPAYER HELP**

WASHINGTON -- From a new paperless e-filing option to expanded customer service features, taxpayers will find more and easier ways to get help from the Internal Revenue Service during this year's tax filing season.

This week marks the beginning of 2001 filing season. More than 40 million tax packages have started arriving in mailboxes across the nation.

The tax packages and forms reflect the small number of tax law changes for 2000. But the IRS has made a number of improvements aimed at making this tax season smoother for people filing an estimated 130 million individual returns this year.

"The IRS has streamlined several important areas to reduce paperwork and cut red tape," IRS Commissioner Charles O. Rossotti said. "We are determined to improve service and take as much of the headache out of tax time as possible."

This year, the IRS will help taxpayers by:

-- Expanding E-filing. For the first time, millions of taxpayers can file taxes electronically without submitting any paperwork. This new version of paperless filing will be available to taxpayers who self-select a Personal Identification Number.

The Self-Select PIN -- along with the adjusted gross income and tax amounts from last year's tax return -- will serve as an electronic signature for an e-filed tax return. With this option, a paper form for a signature will no longer be needed.

-- Adding A New Checkbox Disclosure Authorization. A new feature on the tax forms will be a checkbox allowing easier communication between a person's tax preparer and the IRS. Taxpayers may check this box to authorize the IRS to discuss processing problems over the phone directly with a person's paid preparer.

With more than half of tax returns coming from paid preparers, this change eliminates a barrier that slowed communication between taxpayers, practitioners and the IRS. Because the IRS can talk directly to practitioners, the checkbox will reduce the number of IRS letters to taxpayers.

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-- Improving Telephone Service. The IRS is putting in place an improved call routing system that will lead to more efficiency and help more taxpayers get better telephone service. This is one of the highest priorities during the IRS reorganization and modernization effort. More work remains, but the IRS is taking steps forward to provide better telephone service.

"These changes add up to making things easier for taxpayers," Rossotti said. "We still have more work to do, but we are making progress in our effort to provide world-class service."

FREE TAX HELP AVAILABLE AROUND THE CLOCK

Throughout the 2001 filing season, the IRS will provide telephone help 24 hours a day, seven days a week at 1-800-829-1040. Several other toll-free services are available day or night, such as automated refund information and TeleTax's recorded information on common tax topics (1-800-829-4477) or requesting copies of forms and publications (1-800-TAX-FORM or 1-800-829-3676).

The IRS has also added more features and helpful information on its award-winning web site at www.irs.gov. People downloaded more than 150 million forms and publications in fiscal 2000, helping make the site one of the most frequently-visited on the Internet.

"Taxpayers can count on the IRS to get help around the clock, whether it's from the Internet or our toll-free services," Rossotti said.

If you prefer to visit an IRS office, walk-in service is available at more than 400 locations nationwide. At many sites, walk-in service will be offered on 12 Saturdays between Jan. 27 and April 14.

This year's tax deadline will be April 16. Taxpayers get an extra day because April 15 falls on a Sunday.

E-FILING'S SPEEDY REFUNDS AVAILABLE FOR MORE TAXPAYERS

With the help of new features such as the Self-Select PIN, e-filing will be easier than ever this year. The IRS has added 23 new forms this year that can be filed electronically, meaning almost all taxpayers can now use e-file.

More than 35 million returns were filed electronically last year, and the IRS expects the number to top 42 million this year.

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Taxpayers who e-file get their refunds in less than half the time of paper returns. When choosing direct deposit with e-file, taxpayers get refunds in an average of 14 days.

“The secret to getting the fastest refund is to file early, use e-file and choose direct deposit,” Rossotti said. “More and more Americans are discovering that e-filing is fast, easy and accurate.”

E-filed returns are more accurate because math errors – one of the most common tax return mistakes – are caught automatically. The result? Taxpayers who e-file are far less likely to get a letter from the IRS than those filing a paper return.

MORE TAXPAYER HELP IN THE YEARS AHEAD

This marks the first filing season since the IRS reorganized in October 2000. The agency underwent its biggest transformation in nearly a half-century, shifting from a geographically-based organization into one built around the needs of four different groups of taxpayers.

For this year, the first stages of this multi-year effort will be behind-the-scenes with little visible impact on taxpayers filing their returns.

One change is that people in a few states will mail their paper tax returns to a different IRS center. As in previous years, simply use the pre-printed envelope in the tax package or check the state-by-state listing in the package.

In the long run, taxpayers will see new ways of doing business as the IRS puts in place new programs and new technology to improve taxpayer service, with a special emphasis on solving problems before they start.

Throughout this process, the IRS will continue to work to make sure everyone pays their fair share while also ensuring taxpayer rights are respected and safeguarded.

“In the years ahead, the new organization will create an opportunity for revolutionizing how the IRS meets the needs of taxpayers,” Rossotti said. “For this year, we’ll work hard to make sure these changes move forward while ensuring that taxpayers still receive prompt service and refunds during the 2001 filing season.”

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